

TANNENBAUM HELPERN SYRACUSE & HIRSCHTRITT LLP

900 THIRD AVENUE

NEW YORK, NEW YORK 10022-4775

(212) 508-6700

FACSIMILE: (212) 371-1084

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**VIA ELECTRONIC MAIL**

Jonathan G. Katz  
Secretary  
U.S. Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0609

Re: File No. S7-25-06: Prohibition of Fraud by Advisers to Certain Pooled  
Investment Vehicles; Accredited Investors in Certain Private  
Investment Vehicles

Dear Mr. Katz:

We are submitting this comment letter in response to the request for comments made by the Securities and Exchange Commission (the "Commission") with respect to the proposed amendments to Rule 206(4) under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the proposed amendments to the definition of "accredited investor" under Rule 501(a) of Regulation D and Rule 215 of the Securities Act of 1933, as amended (the "Securities Act").<sup>1</sup> (We refer to such Commission's proposals as the "Proposed Rules" and the proposing release relating thereto, the "Release").

In our view, there are several aspects to the Proposed Rules with which we respectfully disagree and, as to others, request that the Commission provide clarification. This letter speaks to the proposals with regard to the Anti-Fraud Rule first and then to those regarding the eligibility standards for hedge fund investors. Finally, we reference certain policy implications for the Commission's consideration.

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<sup>1</sup> Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles; Accredited Investors in Certain Private Investment Vehicles Release No. 33-8766, File No. S7-25-06 (December 27, 2006) (the "Release").